



**Your Aging & Disability
Resource Center**

Area Agency on Aging

PALM BEACH / TREASURE COAST, INC.

**ADRC Emergency Board of Directors Meeting
March 26, 2019**

Present:

James Sugarman
Elayne Forgie
Jose Thomas-Richards, DO
Faith Myer
Ian Cordes
Sheldon Siskin
Barbara Fretwell
James Cioffi, Esq.
Monica Wilson
Kathryn Perrin

Guest:

Mike Dyer, Foundation Chair

Phone:

Lesley Vestrich
Neal Abarbanell M.D.
Arnold Gaines

Staff:

Karen Roberts
Sonja Honkala

Absent:

Barbara Pembamoto (Excused)
Ted Peroulakis (Excused)

Welcome – Jim Sugarman began the meeting at 8:31 a.m. and thanked everyone for being there. Jim shared that Karen Roberts and Kim Clawson have been the interim facilitators for ADRC.

Review of PSA 9 Monitoring Report Finding 3 and the ADRC Response:

Jim asked if everyone had time to review the monitoring report. Jim Cioffi responded that he had not received the information so Jim gave him a copy. Jim first responded that he was not pleased with the report and that Fiscal issues were the most serious, especially the issues presented about Joyce Espinal and Jaime Estremera-Fitzgerald.

Jim asked that all the information he was about to share was highly confidential.

Fiscal Issues:

- Loans – The agency does not do loans of any type. In 2013 – 2015 in the DoEA Monitoring the issue of loans were discovered but were ignored. At this time Jim has stopped all advances.
- Jaime and Joyce were signing off on each other's loans which added up to close to \$200,000.
- Jim mentioned that in 2015 Joyce was placed on probation / suspension for forgery for a \$30 item.

Staff did mention to Jim that on many occasions they had gone to Jaime about Joyce and Jaime was unwilling to deal with any issues pertaining to her.

Other Findings:

Jim shared that after speaking to John Foley a lawyer, with The Legal Aid Society he stated that the Line of Credit or discretionary funds should never be used for advances.

Finding Three: Bank Reconciliation, \$500,000 outstanding and other incorrect procedures.

Jim shared that during the meeting with Jaime last week they had given him a list of about 7 to 8 items for follow up but Jaime had decided to resign a day later. Jim did give Jaime the opportunity to partially retire and to not leave by just resigning but he stated that he was resigning as he did not live up to the values of the agency and had taken the organization as far as he could.

This past week Jim learned that Joyce was hostile with outside vendors and lacked responsiveness. To date there are outstanding bills from August. Jim advised all Senior Management that responses need to be handled within 48 hours.

Staff: Jim found out that there was no formal hiring for several fiscal staff, Joyce just hired them.

Building: The interior painting was not bid out and was performed by Joyce's husband and since August of last year to now, not including the paint, he has been paid \$47,000.

Emergency Fund: This is a fund that employees contribute to help with a staff emergency and the checks were made out to Karen Roberts as she and Jaime had opened an account to house these funds. Jim is in the process of fine tuning the procedure.

Transparency Issues: Jim just found out this week that we are no longer involved with the L.O.T. group and we haven't been since July 2018.

Good New: The agency has an incredible staff. Jim spoke to Secretary Richard Prudom and he reiterated how we have a terrific organization and he is very supportive and would like to visit the agency staff as well as the board. We will forward him our meeting dates for him to visit. Jim did mention to Secretary Prudom the harsh words in the monitoring report and he stated that he will look into this. Faith Myer shared that we received the monitoring report 9 months late and we are working diligently to get our responses back to DoEA but they extended the date for us to respond.

Joyce Espinal: On Friday, Jim had Jose Muniz suspend all access for Joyce as she had been able to login from home to the system. Based on a conversation Jim had with John Foley he suggested the termination which we will consult with John for further guidance.

American Express Card: Jaime had quite a few personal items on the card. Mike Dyer asked if we have an agreement for a company card.

Kathryn Perrin asked 1) Plans for an outside forensic audit and Jim stated that yes he was waiting to speak with the Board prior to speaking with an auditor. 2) Advance Policy – Do other ADRC's have this? Jim will find out.

Sheldon Siskin mentioned about the Liability Coverage and it was urgent Joyce is terminated so we are not exposed. Barbara Fretwell asked about the auditors for 2018 and if they were coming in 2 weeks and Jim shared they will be coming May 1st.

Line of Credit: The agency had a cash flow issue which is why they originally asked for a Line of Credit and Mike Dyer explained about the sequester that happened years ago which is what prompted ADRC to have this but not sure why we still do. Jim will have Marina look into this. Mike Dyer wondered how the LOC is used for the technology platform. Our technology is or should be a big money maker as we were to be working with other ADRCs. Jim will request a business plan from Jose for this and to see how much is owed on the LOC.

Amex Card Usage: Karen explained that she was told to use the card for everything since we receive points. Jim mentioned that there have been serious issues regarding card usage showing Jaime using it excessively for personal needs and thought he assumed it had been paid back, there has also been times when using the card it had been denied.

Monica Wilson asked who has been in charge so far and Jim shared that Karen Roberts and Kim Clawson but will be discussing more details in the Executive Session.

Jim shared that we will move on the termination of Joyce and will be working closely with John Foley for cause.

Last Thursday Jim met with staff and many are quite upset by this and shared with staff that Jaime resigned for not adhering to the values or taking ownership. We're concerned about the agency 501(c)(3) and how we will be perceived in the community.

Jim shared that Jaime had a staff member forward the monitoring report to all providers before he had seen it. Recently a colleague of Jim's from United Way approached him to share that we were not going to be funded anymore since the agency did not get certified by Non Profits First. Jim mentioned that he had been told by Jaime about issues regarding meeting the requirements.

Public Relations: Trish had mentioned to Jim about Jackie Slatkow a friend of Mike's. Jim would like to develop a small Ad Hoc PR Committee to make sure we do any damage control. Board Members Barbara Fretwell, Kathryn Perrin and Faith Myer volunteered along with Trish Ernst to be our public relations committee.

Forensic Audit:

1. Seek out cost for all board to approve before moving ahead.

MOTION: Motion to get cost of forensic audit as presented (Cioffi/Perrin). Motion carried unanimously.

Quorum – was met

The meeting adjourned for Executive Session at 9:36 a.m.

Elayne Forgie, Secretary